

MINING PLAN DECISION DOCUMENT

West Ridge Resources, Inc.

West Ridge Mine

Federal Lease UTU-78562

Carbon County, UT



**U.S. Department of the Interior
Office of Surface Mining Reclamation and Enforcement**

Prepared March 2002



United States Department of the Interior

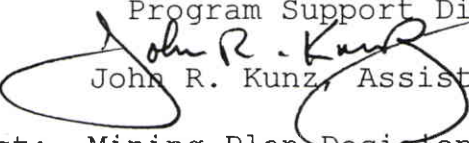
OFFICE OF THE SOLICITOR

Rocky Mountain Region
755 Parfet Street, Suite 151
Lakewood, CO. 80215
TELE. (303) 231-5353
FAX (303) 231-5363
March 11, 2002

RECEIVED
APR 18 2002
DIVISION OF
OIL, GAS AND MINING

Memorandum

To: Larry Kline, Federal Lands State Coordinator, WRCC,
Program Support Division, OSM

From:  John R. Kunz, Assistant Regional Solicitor

Subject: Mining Plan Decision Document for West Ridge Mine
(Federal Lease UTU-78562)

I have reviewed the draft mining plan decision document for the subject mine. I find that this document is legally sufficient for the purposes for which it is intended. In this regard, I note that, the permitting authority--the Utah Division of Oil, Gas, & Mining ("DOGM")--apparently issued the permit before the operator officially had a right to enter in the form of a Federal coal lease. That is, the Bureau of Land Management ("BLM") apparently did not issue a lease until March 5, 2002, whereas DOGM approved the permit on February 15, 2002. Additionally, it appears that the BLM issued its "R2P2" findings letter on February 1, 2002. As a practical matter, merely because the permit was issued and the BLM made its R2P2 findings before the BLM actually issued the lease, this should not invalidate the permit or R2P2 findings. In the "worst case" scenario, if for some reason the operator had not obtained a lease from the BLM (and thus a right to enter), the permit and the R2P2 findings would have been void. I also note that, when the BLM issued the lease, it made the lease effective as of February 1, 2002. Therefore, although anyone could legally challenge the efficacy of the permit or the R2P2 findings, such a challenge would be of form rather than substance, and seemingly void of any legal merit. Consequently, the above matters should not preclude the approval of the subject mining plan modification.

I did not attempt to verify land or legal descriptions or map depictions.

The draft mining plan decision document is attached.

Attachment



IN REPLY REFER TO:

United States Department of the Interior

OFFICE OF SURFACE MINING

Reclamation and Enforcement

1999 Broadway, Suite 3320

Denver, Colorado 80202-5733

RECEIVED

APR 08 2002

DIVISION OF
OIL, GAS AND MINING

March 7, 2002

MEMORANDUM

TO: John Kunz, Assistant Regional Solicitor
Denver Field Office

FROM: Larry Kline 
Federal Lands State Coordinator

SUBJECT: Mining Plan Decision Document for West Ridge Mine

I have attached the draft mining plan decision document for Federal lease UTU-78562 at the West Ridge Mine. Please review the document and provide to me your comments on or before March 12, 2002.

If you have any questions, please contact me at 303-844-1400 ext. 1499.

Attachment

March 7, 2002

John Kunz, Pete Rutledge, Brent Wahlquist

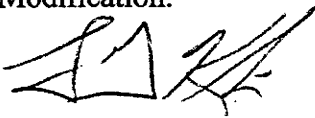
This note serves to inform you of several inconsistencies with the DOGM and BLM permitting and leasing activities associated with the Whitmore Canyon Extension for lease UTU-78562 at the West Ridge Mine. I suspect the reason is inadequate advance planning on the part of the operators such that they find themselves running out of coal and not yet having a lease in hand or a permit application before DOGM. This seems to result in DOGM being under pressure to push through PAP reviews and make findings without all the required information in hand.

In the recent Lila Canyon situation at the Horse Canyon Mine, DOGM did not have all the necessary hydrology baseline information to make its findings and write the CHIA. Subsequently OSM prepared the MLA Mining Plan and the Asst Sec signed off. Then a citizens group challenged the States findings and prevailed in convincing the DOGM appeals board to overturn that decision. OSM has chosen to continue the Mining Plan approval in effect. DOGM has gone back to the drawing boards and has just recently declared the Lila Canyon application complete for the second time.

So too, in the case at West Ridge Mine now before you, DOGM issued the permit when the operator did not have the Right to Enter in the form of a lease from the BLM. This seemingly occurred because DOGM was under pressure to issue the permit. In early December, before the lease sale, DOGM told the company and all other agencies in a meeting in Price which I attended that the soonest they might issue to permit was May of 2002. Suddenly in late January DOGM changed the permitting date to 15 February. The lease had yet to be issued. In this situation the operator used the date of the lease sale (Dec 12, 2001) as the date for the Right to Enter. The BLM issued us a letter dated Feb 1, 2002 re: the R2P2 and its compliance with the terms of the lease. The BLM did not issue the lease until March 5, 2002 and post-dated the effective date as of 1 February 2002. DOGM made its findings and issued the permit on February 15, 2002. Thus, the DOGM permitting action is based on an assumption of the Right to Enter and the BLM effective date, which is usually the first day of the month in which the decision to issue the lease is made, is one month earlier than it should/could have been.

I bring these matters to your attention so that you are fully informed about the West Ridge permitting action upon which you will be basing your recommendation for a Mining Plan Modification.

Larry Kline



CC: Jim Fulton

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West Ridge Mine
Federal Lease UTU-78562
Mining Plan Decision Document

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Utah Division of Oil, Gas & Mining (DOGM/DNR) State Decision Document West Ridge Resources, Inc. Whitmore Canyon Extension West Ridge Mine C/007/041-PM01H
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United States Department of the Interior

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

Washington, D.C. 20240

MAR 19 2002

MEMORANDUM

To: Rebecca W. Watson
Assistant Secretary - Land and Minerals Management

From: Jeffrey D. Jarrett *Jeffrey D. Jarrett*
Director, Office of Surface Mining

Subject: Recommendation for Approval of the Mining Plan Modification for Federal Lease
UTU-78562 at West Ridge Resources, Inc.'s West Ridge Mine located in Carbon
County, Utah

I recommend approval without special conditions of this mining plan modification. This mining plan approval supplements all previous mining plan approvals for the West Ridge Mine. My recommendation is based on:

- (1) West Ridge Resources, Inc.'s complete permit application package (PAP),
- (2) compliance with the National Environmental Policy Act of 1969,
- (3) documentation assuring compliance with applicable requirements of other Federal laws, regulations, and executive orders,
- (4) comments and recommendations or concurrence of other Federal agencies, and the public,
- (5) the findings and recommendations of the Bureau of Land Management regarding the resource recovery and protection plan, the Federal lease requirements, and the Mineral Leasing Act, and
- (6) the findings and recommendations of the Utah Division of Oil, Gas & Mining regarding the PAP and the Utah State program.

The Secretary may approve a Mining Plan for Federal leases under 30 U.S.C. 207(c) and 1273(c). In accordance with 30 CFR Chapter VII, Subchapter D, I find that the proposed mining plan modification will be in compliance with all applicable laws and regulations. The decision document for the proposed mining plan action is attached.

Attachment



IN REPLY REFER TO:

United States Department of the Interior

OFFICE OF SURFACE MINING

Reclamation and Enforcement

1999 Broadway, Suite 3320

Denver, Colorado 80202-5733

March 12, 2002

Memorandum

To: Director
Office of Surface Mining

From: *Acting* Regional Director *J. Fulton*
Western Regional Coordinating Center

Subject: Recommendation for Approval Without Special Conditions of the Mining Plan Modification for Federal Lease UTU-78562 at West Ridge Resources, Inc.'s West Ridge Mine located in Carbon County, Utah

I. Recommendation

I recommend approval without special conditions of a mining plan modification for Federal lease UTU-78562 at the West Ridge Mine. This is a mining plan modification for a underground coal mine being permitted under the Federal lands program, the approved Utah State program, and the cooperative agreement.

My recommendation to approve the mining plan modification is based on:

- (1) West Ridge Resources, Inc.'s (WRRRI) complete permit application package (PAP),
- (2) compliance with the National Environmental Policy Act of 1969,
- (3) documentation assuring compliance with applicable requirements of other Federal laws, regulations, and executive orders,
- (4) comments and recommendations or concurrence of other Federal agencies, and the public,
- (5) the findings and recommendations of the Bureau of Land Management regarding the resource recovery and protection plan, the Federal lease requirements, and the Mineral Leasing Act, and
- (6) the findings and recommendations of the Utah Division of Oil, Gas & Mining (DOGM/DNR) regarding the PAP and the Utah State program.

If you concur with this recommendation, please sign the attached memorandum to the Assistant Secretary, Land and Minerals Management.

II. Background

The West Ridge underground coal mine is located in Carbon County, Utah. The mine has been in operation since 1999. The life of the currently approved mining operations within the approved permit area is estimated to be 7 years. The mining operations use longwall mining methods. The average annual production rate is 3 million tons per year from the Lower Sunnyside coal seam, and the maximum production rate is 3 million tons per year. The mine currently employs 120 people.

The mining plan for Federal lease SL-068754 at the West Ridge Mine was initially approved on June 30, 1999. Since that approval no mining plan modifications have been submitted or approved.

The State's permit area covers 2,661 acres.

About 29 surface acres are disturbed within the State's permit area.

A total of 2651 acres of Federal coal exist in the currently approved mining plan area.

A total of 20 million tons of Federal coal exist in the currently approved mining plan area.

A total of 2532 acres of Federal surface land exist in the currently approved mining plan area.

The postmining land use within the currently approved mining plan area is wildlife & grazing

III. The Proposed Action

This mining plan action consists of a mining plan modification for Federal lease UTU-78562. Specifically, the mining plan action proposed by WRRI consists of:

Extending main entries and longwall panels into the newly leased area.

The life of the mining operations is expected to continue for 12 years under Utah Permit No. C/007/041 and this proposed mining plan modification.

The average annual production rate and the maximum production rate would not change.

The number of people employed at the mine would not change.

The approved State permit area would increase by 1,646 acres from its present 2,661 acres to a new total of 4,308 acres.

Surface disturbance within the approved State permit area will not increase.

Approval of this mining plan modification will increase the number of acres of Federal coal in the approved mining plan area by 1646 acres to a new total of 4297 as shown on the map included with this decision document.

Approval of the proposed mining plan modification would add 15 million tons of recoverable coal to the approved mining plan area for a new total of 35 million tons.

An additional 552 acres of Federal surface land will be included in the mining plan area as a result of this action. Thus, the total Federal surface acreage will be 3084 acres.

The postmining land use within the permit and mining plan area will not change.

The DOGM/DNR has attached four permit stipulations to this permitting action. These stipulations are described in the State Decision Document section of this decision document.

West Ridge Resources, Inc.'s proposal does not require any special conditions to comply with Federal law.

IV. Review Process

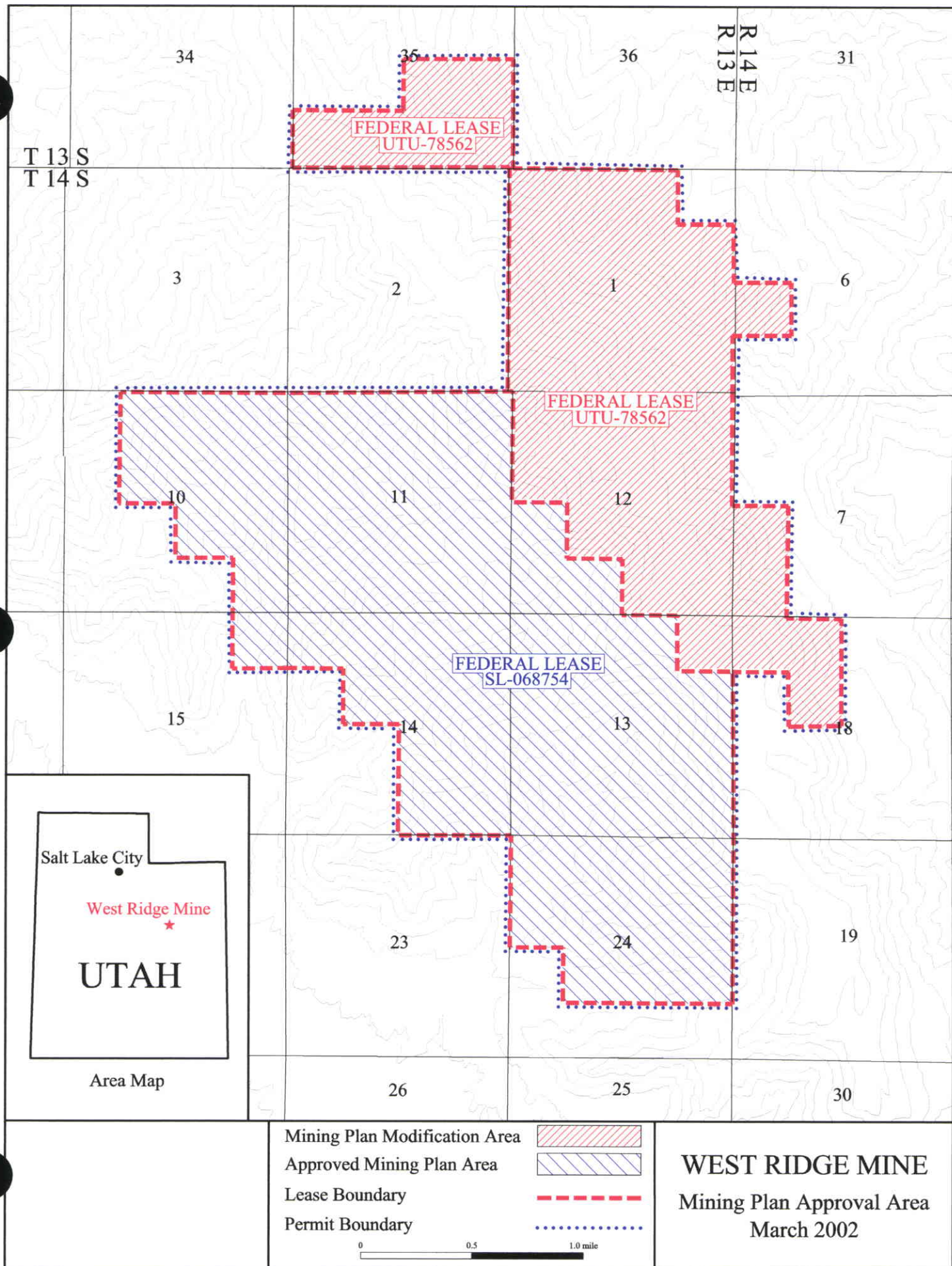
The DOGM/DNR reviewed the PAP under the Utah State program, the Federal lands program (30 CFR Chapter VII, Subchapter D), and the Utah cooperative agreement (30 CFR 944.30). Pursuant to the Utah State program and the cooperative agreement, DOGM/DNR approved the permit revision on February 15, 2002.

The Office of Surface Mining Reclamation and Enforcement (OSM) has consulted with other Federal agencies for compliance with the requirements of applicable Federal laws. Their comments and/or concurrences are included in the decision document.

The Bureau of Land Management (BLM) reviewed the resource recovery and protection plan for compliance with the Mineral Leasing Act of 1920, as amended, and 43 CFR Part 3480. The BLM recommended approval of the mining plan modification in a memorandum dated February 1, 2002.

- -DOGM/DNR's State Decision Document West Ridge Resources, Inc. Whitmore Canyon Extension West Ridge Mine C/007/041-PM01H provided to OSM under the cooperative agreement,
- -the Environmental Assessment entitled Whitmore Canyon Federal Coal Tract, EA UT-070-2000-73DNA,
- -the FONSI of the proposed action and alternatives prepared by OSM,
- -other documents prepared by DOGM/DNR, and
- -correspondence developed during the review of the PAP.

Attachments



CHRONOLOGY

West Ridge Mine
Federal Lease UTU-78562
Mining Plan Decision Document

DATE

EVENT

October 24, 2001	West Ridge Resources, Inc.(WRI) submitted the permit application package (PAP) under the approved Utah State Program to the Utah Division of Oil, Gas & Mining (DOGM/DNR) for a permit revision for the West Ridge Mine.
December 12, 2001	DOGM/DNR determined that the PAP was administratively complete for public review and comment.
January 1, 2002	WRI published in the Sun Advocate the fourth consecutive weekly notice that its complete PAP was filed with DOGM/DNR
February 1, 2002	The Bureau of Land Management provided its findings and recommendations on the approval of the mining plan
February 1, 2002	The Federal land management agency (Bureau of Land Management) provided its final concurrence with the approval of the mining plan.
February 7, 2002	The State Historic Preservation Office provided its comments on the mining plan.
February 13, 2002	The U.S. Fish and Wildlife Service provided its final consultation comments on the mining plan.
February 15, 2002	DOGM/DNR approved the PAP.
February 28, 2002	The Office of Surface Mining Reclamation and Enforcement (OSM) received the PAP.
March 12, 2002	OSM's Western Regional Coordinating Center recommended to the Director, OSM, that the mining plan action be approved.

U.S. DEPARTMENT OF THE INTERIOR
OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT
FINDING OF NO SIGNIFICANT IMPACT
FOR
West Ridge Mine
Federal Coal Lease UTU-78562
Mining Plan Decision Document

A. Introduction

West Ridge Resources, Inc. submitted a permit application package (PAP) for a permit revision for the West Ridge Mine to the Division of Oil, Gas & Mining (DOGM/DNR). The PAP proposed extending underground mining operations into 1646 acres of Federal lease UTU-78562. Under the Mineral Leasing Act of 1920, the Assistant Secretary, Land and Minerals Management, must approve, approve with conditions, or disapprove the mining plan modification for Federal lease UTU-78562. Pursuant to 30 CFR Part 746, the Office of Surface Mining (OSM) is recommending approval of the mining plan action without special conditions.

B. Statement of Environmental Significance of the Proposed Action

The undersigned person has determined that the above-named proposed action would not have a significant impact on the quality of the human environment under section 102(2)(C) of the National Environmental Policy Act of 1969 (NEPA), 42 U.S.C. 4332(2)(C), and therefore, an Environmental Impact Statement is not required.

C. Reasons

This finding of no significant impact is based on the attached Bureau of Land Management and Office of Surface Mining (See list of team members in EA – Page Attachment 1-6) prepared Environmental Assessment which assesses the environmental impacts of the proposed action adequately and accurately and to provide sufficient evidence and analysis for this finding of no significant impact. OSM takes full responsibility for the accuracy, scope, and content of the attached environmental assessment.

Ramvir Singh
Chief, Northwest Branch

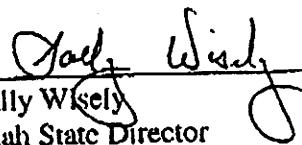
March 12, 2002
Date

Attachment



DECISION RECORD (DR)
and
FINDING OF NO SIGNIFICANT IMPACT (FONSI)
for the
Whitmore Canyon Federal Coal Tract
EA Log No. UT-070-2000-73 DNA

U.S. DEPARTMENT OF INTERIOR
BUREAU OF LAND MANAGEMENT
UTAH STATE OFFICE
PRICE FIELD OFFICE


Sally Wisely
Utah State Director
Bureau of Land Management

10/25/01
Date

Bureau of Land Management
Utah State Office
DR and FONSI
For
Coal sale for the Whitmore Canyon Federal Coal Tract
EA Log No. UT-070-2000-73 DNA

I. INTRODUCTION

This document records the decision made by the Bureau of Land Management (BLM) for managing public lands involved with the Whitmore Canyon Federal Coal Tract. The project area is located in the Book Cliffs area administered by the Price Field Office, Carbon County, Utah near the town of East Carbon City, Utah. This Federal coal tract contains 1646.34 acres and is contiguous to Federal coal lease (SL-068754-U-01215) which is held by the co-owners, Andalex Resources, Inc., and Intermountain Power Agency.

Background

On September 30, 1999 Andalex Resources, Inc., and Intermountain Power Agency made application to the Bureau of Land Management, Utah State Office to lease Federal coal on a tract of land which was subsequently named the Whitmore Canyon Tract with serial number UTU-78562. This property as currently proposed will be mined by underground mining methods from the adjacent West Ridge mine. This property lies north of East Carbon City in Carbon County, Utah. At the present time there are no surface facilities anticipated for this mine extension. This property was once part of a Federal coal lease (SL-062966-U-010140) but was never mined.

Many NEPA documents have been prepared for this area. The most recent are:

Sunnyside Mines, Kaiser Coal Corporation, Environmental Assessment, OSM, December 1985.
"C" Canyon Road and West Ridge Resources coal mine, Environmental Assessment, BLM, May 1998.
West Ridge Mine, Environmental Assessment, OSM, May 1999.
Cumulative Hydrological Impact Assessment, DOGM, March 1999.

The Sunnyside Mines EA included a detailed discussion of impacts to both ground and surface hydrology. In addition to the surface hydrology and ground water, the "C" Canyon Road and West Ridge Resources coal mine, EA, May 1998, discusses the ground water quality, Native American Trust assets, and noxious weeds that are required to be addressed. These documents did not analyze the impacts of coal leasing, they analyzed the impacts of coal mining. These are essentially the same because if a coal lease is issued the likelihood of mining the coal is very high. The lease authorizes mining. The mining results in impacts on the human environment.

The determination of NEPA Adequacy (UT-070-2000-73) states that the coal should be leased using the standard BLM special coal leasing stipulations as mitigation steps for the coal lease. The monitoring of the coal lease and the mining will be under the regulations for coal leasing (43 CFR 3400) and reclamation (30 CFR parts 700-955)

surface owners within the proposed lease area on July 18, 2000. One comment was received in favor of the action.

A notice was published in the Federal Register on October 31, 2000 requesting a public hearing on the Fair Market Value, Maximum Economic Recovery and NEPA adequacy for the Whitmore Canyon Coal Tract. This hearing was also published in the Sun Advocate on November 9, 2000. The meeting was held on November 14, 2000 in Price, Utah and a total of 5 persons attended the meeting. No formal statements by members of the public were made at the hearing.

V. APPEALS

This decision may be appealed to the Interior Board of Land Appeals, Office of the Secretary, in accordance with the regulations contained in 43 CFR Part 4. If an appeal is filed, you then have 30 calendar days after the date of this decision to appeal to the Board of Land Appeals, Office of the Secretary, in accordance with the regulation at 43 CFR Part 4. The appellant has the burden of showing that the decision is in error.

If you wish to file a petition pursuant to regulation 43 CFR 4.21 (58 FR 4939, January 19, 1993) for a stay of the effectiveness of this decision during the time that your appeal is being reviewed by the Board, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of the notice of appeal and the petition for a stay also must be submitted to the Office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulation, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards:

- (1) The relative harm to the parties if a stay is granted or denied;
- (2) The likelihood of the appellant's success on the merits;
- (3) The likelihood of the immediate and irreparable harm if the stay is not granted, and;
- (4) Whether the public interest favors granting the stay.

C:\TEMP\tempenbb form.wpd November 26, 2001

ENVIRONMENTAL NOTIFICATION BULLETIN BOARD INFORMATION

PROJECT NAME: West Ridge Coal Lease

OFFICE: UT-070 (field office code)

CONTACT: Steve Falk PHONE #: (435) 636-3605

PROJECT NUMBER: UT-070-2000-73DNA

DOCUMENT TYPE: (Please place X in one) ☒ AD ☐ CX ☐ EA ☐ EIS

FILE NUMBER: (i.e. Serial # UTU-) UTU-78562

PRIMARY PROGRAM: (Please place an X for all Programs involved)

☐ Cultural ☐ Fire ☐ Lands & Realty ☒ Minerals ☐ Range ☐ Recreation
☐ Vegetation ☐ Watershed ☐ Wild Horses ☐ Wildlife ☐ Planning ☐ Other (list):

PROJECT DESCRIPTION: Coal Mining Lease expansion for the West Ridge coal mine

TOWNSHIP, RANGE, SECTION: (Please list all Townships, Ranges & Sections involved or attach list of township & ranges)

T. 13 S., R. 13 E., SLM, Utah
Sec. 35, S2SW, SE

T. 14 S., R. 13 E., SLM Utah
Sec. 1, lots 2-7, SWNE, S2NW, SW, W2SE;
Sec. 12, lots 1-4, S2N2, NESW, SE;
Sec. 13, NENE

T. 14 S., R. 14 E., SLM Utah
Sec. 6, lot 6;
Sec. 7, lots 3 and 4;
Sec. 18, lot 1, E2NW

LOCATION/DESCRIPTION/OTHER REMARKS:

COUNTY: (Please place an X for all counties involved)

☐ Beaver
☐ Box Elder
☐ Cache
☒ Carbon
☐ Daggett
☐ Davis
☐ Duchesne
☐ Emery
☐ Garfield
☐ Grand
☐ Iron
☐ Juab
☐ Kane
☐ Millard
☐ Morgan

COUNTY (continued):

☐ Piute
☐ Rich
☐ Salt Lake
☐ San Juan
☐ Sanpete
☐ Sevier
☐ Summit
☐ Tooele
☐ Uintah
☐ Utah
☐ Wasatch
☐ Washington
☐ Wayne
☐ Weber
Other: _____

SPECIAL INTERESTS: (Please place an X for all Special Interests involved)

☐ ACEC ☐ Critical Habitat ☐ Cultural ☐ Fire Rehabilitation ☐ Riparian ☒ T&E
☐ Visual Resources ☐ Designated Wilderness/WSA ☐ Wild & Scenic Rivers
☐ Wilderness Inventory Areas with Wilderness Characteristics ☐ Other Wilderness Concerns

DATE OF ACTION: October 25, 2001

STATUS: DECISION RECORD SIGNED

EA started

3425
UTU-78562
UT-070

DECISION RECORD/FINDING OF NO SIGNIFICANT IMPACT

EA Log No.: UT-070-2000-73 DNA

Project Name: Whitmore Canyon
Coal Lease Tract

EA Preparation Date: May 4, 2001

BLM Office: Price Field Office

County: Carbon

BLM Office Location: Price, Utah

Phone No.: (801) 636-3600

Applicant: Andalex Resources, Inc.

Phone No.: (801) 637-5385

Address: P. O. Box 902
Price, Utah 84501

EA Preparer: BLM, Price Field Office.

Phone No.: same

RECORD OF DECISION

Decision:

My decision is to recommend holding a lease sale of the Federal coal lease application with the existing standard lease stipulations. The authority for the lease sale is under the Mineral Leasing Act of 1920, as amended.

Rationale:

1. The action is not adverse to local, state or Federal land use plans for the area.
2. The proposed action is in conformance with the Price River Planning Area Management Framework Plan.
3. The proposed action would not cause any significant environmental impacts.
4. The proposed lease tract would provide significant coal reserves adjacent to

an existing Federal coal lease where mining is ongoing and would avoid potential coal bypass.

Finding of No Significant Impact: Based on the analysis of potential environmental impacts contained in previous environmental documents and referenced in the attached Documentation of Land Use Plan Conformance and NEPA Adequacy (DNA), I have determined that impacts of leasing the coal tract are not expected to be significant and an environmental impact statement is not required.

John C. Pearson (Acting)
Field Office Manager

5/17/01
Date

**Amendment to
Documentation of Land Use Plan Conformance and NEPA Adequacy (DNA)
EA file # UT-070-2000-73 DNA
Whitmore Canyon Coal Lease Application
Price Field Office, Bureau of Land Management**

As a result of further review, additional items need to be addressed or clarified for the subject DNA. This DNA references past environmental documents for similar proposals. Since the time of those past environmental documents, several items have been added to the list of critical elements of the human environment that need to be addressed. Some were done in the DNA under section D. 3. Other critical elements along with additional emphasis elements need to be discussed and further clarified.

1. Mexican Spotted Owl. We have reviewed the U. S. Fish and Wildlife Service designated critical habitat for the Mexican spotted owl as per Federal Register Notice published in February 2001. The proposed lease tract is approximately 4 miles distance from the nearest designated critical habitat boundary. A habitat model for Mexican spotted owl developed in 1997 by Dave Willy (a recognized expert on this species) was also reviewed. This model indicated that some elements of nesting roosting habitat may exist within the lease tract. However, due to the limited amounts of such habitat reflected present by the habitat model, the relatively high elevation of the general area (above 7,500 feet), the limited amount of cliff habitat present, results of survey work completed in similar nearby habitats, and the difference in habitat characteristics of known occupied nesting roosting habitat in our area, the habitat within the lease tract is considered marginal for roosting and nesting and only represents potential foraging habitat.

Brad Crompton and Chris Colt of the Utah Division of Wildlife Resources, Southeastern Region conducted an evaluation of the majority of this lease tract on October 9, 2001, see attached letter and map of their evaluation area dated, October 16, 2001. Based on their evaluation, they did not feel the lease tract contained suitable nesting roosting habitat. The reasons given for this determination were: 1, little to no cliff habitat was present on the tract; 2, absence of closed or narrow side canyons; 3, much of the tract was less than 40 percent slope; 4, vegetation was predominantly mountain brush with very little mixed conifer present; and 5, the high elevation of the tract which receives heavy snow accumulation (Chris Colt, pers. Comm., November 27, 2001).

Since mining of this coal tract would be done by underground mining methods from existing facilities no new surface facilities would be required on the lease tract. The only surface disturbance that could potentially occur would be associated with subsidence. The potential for surface expression of subsidence is considered slight, based on depth and geology of overburden and experience with similar mining operations in this area. The other potential impact to Mexican Spotted Owl habitat is potential interruption of springs, as a result of underground mining operations and or surface fracturing resulting from subsidence.

Considering that the lease tract represents potential Mexican spotted owl foraging habitat, the above described impacts may affect but not likely to adversely affect the Mexican spotted owl.

As an added precaution for conservation of this species, the following stipulation requiring appropriate inventory of the lease tract has been developed for inclusion as a least stipulation.

The holder of this lease shall be required to conduct appropriate surveys for Mexican spotted owls on the lease tract areas with 40 percent or greater slope, cliff habitat areas, riparian habitats, and mixed conifer forests habitats, prior to surface disturbing activity and or development with a potential to interrupt springs. Inventory work will be conducted by parties approved and permitted for such survey work by the Authorized Officer of the BLM and conducted following current protocols established by the USFWS.

2. Wilderness Study Areas and Other Wilderness Proposals and Inventories. The proposed lease area is not in any wilderness study areas, any wilderness proposals, or any re-inventory areas. The nearest area under any consideration for wilderness is some 15 miles to the east.

3. Native American Consultation. Underground mining of this lease area would cause no surface disturbance and would not affect any potential traditional sites. This area had been leased for coal before and many spot inventories have been done in the lease area. No known sites were noted nor were any traditional sites noted in any surrounding areas that have seen underground mining activities for decades.

Documentation of Land Use Plan Conformance and NEPA Adequacy (DNA)
UT-070-2000-73

U.S. Department of the Interior Bureau of Land Management
In Cooperation with U. S. Department of Interior Office of Surface Mining

A. Describe the Proposed Action

Andalex Resources, Inc. and Intermountain Power Agency has made application to lease Federal coal on a tract of land so named the Whitmore Canyon Tract with serial number UTU-78562, located adjacent to the existing West Ridge Mine property north of East Carbon City in Carbon County, Utah. The proposed lease tract contains 1,646.34 acres of unleased Federal coal with much of the surface estate held by private ownership. This lease tract was once apart of a Federal coal lease owned by Sunnyside Coal Company (coal lease SL-062966 -U-010140). The area of the proposed Whitmore Canyon Tract was never mined and was relinquished in 1995. As currently proposed, the Whitmore Canyon Tract will be mined by underground mining methods with no new surface facilities expected. It is also proposed that the coal will be mined from the adjacent West Ridge Mine.

BLM proposes to hold a competitive sale of the proposed Whitmore Canyon Tract. However, the only logical access to these coal reserves is from the new mine workings of the West Ridge Mine.

The coal lease may be offered with stipulations attached to it. A lessee's right to mine the coal in some manner is implied by issuance of the lease as modified by stipulations. A lessee must submit a permit application package (PAP) and a resource recovery and protection plan and receive UDOGM and Assistant Secretary of the Interior approval before being allowed to mine the coal. However, if the lessee was to propose in the PAP mining the Whitmore Canyon tract by some other method than by access from an existing underground mine a site-specific EA would be required. ← *Stipulations?*

B. Land Use Plan (LUP) Conformance

LUP Name Price River MFP
Other document _____

Date Approved October 1984
Date Approved _____

☐ The proposed action is in conformance with the applicable LUP because it is specifically provided for in the following LUP decisions:

Minerals -1. Allow and encourage development of those leasable minerals known to occur within the planning area in accordance with current laws and regulations so as to aid in filling the local and national energy requirements.

C. Identify applicable NEPA documents and other related documents that cover the proposed action.

List by name and date all applicable NEPA documents that cover the proposed action

Development of Coal Resources in Central Utah, Final Environmental Impact Statement, Part 2
Site Specific analysis, US Geological Survey, 1979.

Unita-Southwestern Utah Coal Leasing, Final Environmental Impact Statement, BLM, 1981.

Unita-Southwestern Utah Coal Region Round Two, Final Environmental Impact Statement,
BLM, 1983

Sunnyside Mines, Kaiser Coal Corporation, Environmental Assessment, OSM, December 1985.

C Canyon Road and West Ridge Resources coal mine, Environmental Assessment, BLM, May
1998.

West Ridge Mine, Environmental Assessment, OSM, May 1999.

List by name and date other documentation relevant to the proposed action (e.g., biological
assessment, biological opinion, watershed assessment, allotment evaluation, and monitoring
report)

Technical Analysis Sunnyside Mines, OSM, 1985

Technical Analysis and Findings, State of Utah, Division of Oil, Gas, and Mining, West Ridge
Mine, 1999

Cumulative Hydrologic Impact Assessment, UDOGM, March 3, 1999.

D. NEPA Adequacy Criteria

**1. Is the current proposed action substantially the same action (or is a part of that action)
as previously analyzed? Is the current proposed action located at a site specifically
analyzed in an existing document?**

Documentation of answer and explanation: YES

The proposed action of leasing and ultimately mining the Whitmore Canyon Tract is essentially the same action as that which was analyzed in the previously NEPA documents (Sunnyside Mines, EA, December 1985; C Canyon Road and West Ridge Resources coal mine, EA 1998; and the West Ridge Mine, EA 1999). The impact of mining this tract of land was also considered under each of the five alternatives in the 1981 and the four alternatives in the 1983 coal leasing EISs as part of the baseline including "No Action". However, even though the documents did not specifically analyze the impacts that would result from coal leasing, analyzing the impacts of coal mining is the same as analyzing the impacts from leasing. The end result is that the description of the affected environment and the analysis of impacts of the proposed action and alternatives on the environment are identical.

2. Is the range of alternatives analyzed in the existing NEPA document(s) appropriate with respect to the current proposed action, given current environmental concerns, interests, and resource values?

Documentation of answer and explanation: YES

The range of alternatives that should have been analyzed in the NEPA documents include: 1) leasing; 2) leasing with stipulation; and 3) no leasing. However, the alternatives that were analyzed in the NEPA documents were: 1) mining; 2) mining with conditions; and 3) no mining (Sunnyside Mines, EA, OSM, 1985; C Canyon Road and West Ridge Resources coal mine, EA, 1998; and West Ridge Mine, EA, OSM, 1999) are essentially the same. They are essentially the same because the NEPA document alternatives are leasing but the analysis is the impact that mining the coal would have on the affected environment. Thus even though the documents did not specifically analyze the impacts that would result from coal leasing, analyzing the impacts of coal mining is the same as analyzing the impacts from leasing. The end result is that the description of the affected environment and the analysis of impacts of the proposed action and alternatives on the environment are identical.

3. Is the existing analysis valid in light of any new information or circumstances?

Documentation of answer and explanation: YES

Since the publication of the three FEISs and the EA that discuss the environmental impacts of mining the Sunnyside leases which the Whitmore Canyon Tract is apart of, ground water quality, Native American Trust assets, and noxious weeds have been added to BLM's list of critical elements of the human environment that need to be addressed. The C Canyon Road and West Ridge Resources coal mine, EA, May 1998 did discuss these additional critical elements. The Sunnyside Mines, Kaiser Coal Corporation EA did include a detailed discussion of impacts to both ground and surface hydrology. The affected environment (pages 5-7) include a discussion of Grassy Trail Reservoir. The impact section (pages 10-15) includes discussions on dewatering, subsidence, Grassy Trail Creek, Icelandier Drainage, and Alluvial Valley Floors. No new information or circumstances are known to the interdisciplinary team beyond those addressed in the NEPA documents.

4. Do the methodology and analytical approach used in the existing NEPA document(s) continue to be appropriate for the current proposed action?

Documentation of answer and explanation: YES

The methodology and analytical approach used in the one coal mining EIS, two coal leasing EISs, and two coal mining EA's are appropriate for the proposed leasing. The entry to the coal would be from a different direction and the extraction method would be probably by longwall.

The basic analysis assumptions included in the documents are still applicable to the current proposal. The bottom line is that the surface impacts from the action is not substantially different that what was analyzed in the previous five NEPA documents.

5. Are the direct and indirect impacts of the current proposed action substantially unchanged from those identified in the existing NEPA document(s)? Does the existing NEPA document analyze site-specific impacts related to the current proposed action?

Documentation of answer and explanation: YES

The Whitmore Canyon tract of land is adjacent to the B Canyon Mine which was site specifically analyzed in the Development of Coal Resources in Central Utah, FEIS, 1979. This B Canyon Mine is the same tract that later was approved for coal mining as the C Canyon mine in 1999 by BLM and OSM. This mining plan approval by the Assistant Secretary, Land and Minerals Management included both the C Canyon Road and West Ridge Resources coal mine, EA 1998 and the West Ridge Mine, EA, OSM, 1999. These EA's include baseline data for the western parts of the proposed tract to be leased. The resource recovery and protection plan included in the approved West Ridge permit application package(PAP) projected the company mining the Whitmore Canyon tract if a lease could be obtained. Therefore, the West Ridge EA looked beyond just the leases included in the PAP.

The Whitmore Canyon tract proposed for leasing was part of the leases included in the Sunnyside Mines, Kaiser Coal Corporation, EA 1985. This EA covered over 14,000 acres of proposed mining. The EA addressed mining by underground methods from the existing Sunnyside mine and specifically addressed the potential impacts of mining on: Land Use, Soils, Vegetation, Groundwater Hydrology, Surface water, Fish and Wildlife resources, Topography, Socioeconomics, Cultural Resources, and Subsidence.

Mining the proposed tract by underground methods could affect hydrology, topography, and wildlife. Of these resources hydrology is the greatest concern and the EA has a lengthy discussion. The affected environment (pages 5-7) include a discussion of Grassy Trail Reservoir. The impact section (pages 10-15) includes discussions on dewatering, subsidence, Grassy Trail Creek, Icelandier Drainage, and Alluvial Valley Floors. The Technical Analysis prepared by UDOGM on the West Ridge PAP includes a detailed discussion of the hydrology of this area (pages 20-34 and 53-63). Also the CHIA prepared by UDOGM includes the impact of all anticipated mining upon surface- and ground- water in the area.

The impacts that would result from mining this tract from the existing C Canyon Mine even though the underground access would be from a different direction that analyzed in the above NEPA documents would be the same.

6. Are the cumulative impacts that would result from implementation of the current proposed action substantially unchanged from those analyzed in the existing NEPA

document(s)?

Documentation of answer and explanation: YES

The tract of land proposed to be leased by this action was previously leased for coal mining. The land was part of coal lease SL-062966 -U-010140. This lease was terminated in 1995. The cumulative impacts of proposed mining (all existing leases) and future mining (those tracts proposed for leasing) were analyzed in both rounds 1 and 2 of the Unita-Southwestern coal Final Environmental Impact Statements 1981 and 1983.

The impacts of mining the tract proposed for leasing was also analyzed as part of the Kaiser Coal Corporation's Sunnyside Mine Environmental Assessment by OSM in 1985. This EA covered over 14,000 acres of proposed mining and specifically addressed the potential impacts to Grassy Trail Reservoir and Grassy Trail Creek.

Mining the proposed tract by underground methods could affect hydrology, topography, and wildlife. Of these resources hydrology is the greatest concern and the EA has a lengthy discussion. The affected environment (pages 5-7) includes a discussion of Grassy Trail Reservoir. The impact section (pages 10-15) includes discussions on dewatering, subsidence, Grassy Trail Creek, Icclander Drainage, and Alluvial Valley Floors. The Technical Analysis prepared by UDOGM on the West Ridge PAP includes a detailed discussion of the hydrology of this area (pages 20-34 and 53-63). Also the CHIA prepared by UDOGM includes the impact of all anticipated mining upon surface- and ground- water in the area.

The two EISs and the EA specifically includes this tract of land and the impacts that would result from leasing the land and the subsequent mining by underground methods are substantially the same as those that were discussed in those documents.

7. Are the public involvement and interagency review associated with existing NEPA document(s) adequate for the current proposed action?

Documentation of answer and explanation: YES

The public involvement and interagency review procedures and findings made through the Kaiser Coal Corporation's Sunnyside Mine EA 1985 and mine plan approval and the C Canyon Road and West Ridge Resources coal mine EA 1998 and mine plan approval are adequate for the proposed coal lease sale.

Public participation in the development of the West Ridge mine was solicited through publication for four consecutive weeks in the Sun Advocate in May and June 1998. Public participation in the approval of the Sunnyside mine was solicited for four consecutive weeks in December 1985. The EISs included numerous opportunities for the public to comment of mining

activities in the area of the Whitmore Canyon Tract.

Both the Sunnyside mine and the C Canyon mine approvals included detailed coordination with Federal and State Agencies. The level of this coordination is appropriate for this leasing.

Notice of the proposed lease sale was published in the Sun Advocate on July 20, 2000 and letters were sent to all surface owners within the proposed lease area on July 18, 2000. Neither of these notices resulted in substantive comments or concerns about the project.

E. Interdisciplinary Analysis: Identify those team members conducting or participating in the NEPA analysis and preparation of this worksheet.

<u>Name</u>	<u>Title</u>
Stephen Falk SWF	Project Manager
David Mills DM	Wildlife
Ray Jenson RJ	Range
Blaine Miller BM	Archeology
Tom Gnojek TER for Tom G.	Recreation
Kerry Flood KF	Hydrology
Floyd Johnson FJ	NEPA Coordinator
Floyd McMullen SWF for Floyd M.	OSM Coordinator

Conclusion

☒ Based on the review documented above, I conclude that this proposal conforms to the applicable land use plan and that the NEPA documentation fully covers the proposed action and constitutes BLM's compliance with the requirements of NEPA.

Note: If you found that one or more of these criteria is not met, you will not be able to check this box.

Thomas E. Peterson (Acting)
Signature of the Responsible Official

5/17/01
Date

Note: The signed Conclusion on this Worksheet is part of an interim step in the BLM's internal decision process and does not constitute an appealable decision.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Price Field Office
125 South 600 West
Price, Utah 84501

3482
UTU-78562
(UT-070)

Pamela Grubaugh-Littig
Permit Supervisor
State of Utah
Division of Oil, Gas and Mining
1594 West North Temple Street, Suite 1210
Salt Lake City, Utah 84114-5801

FEB - 1 2002

Re: Resource Recovery and Protection Plan (R2P2), Federal Coal Lease Addition, UTU-78562, West Ridge Mine, West Ridge Resources, Inc., ACT/007/041

Dear Ms. Grubaugh-Littig:

The Bureau of Land Management has received and reviewed the subject R2P2 as part of the permit application package for adding Federal coal lease UTU-78562 to the approved West Ridge Mine Permit. This letter documents the Bureau's finding for the R2P2 and post-mining land uses as required by the laws governing the Federal coal lease and the public lands.

West Ridge has submitted mining and reclamation plans to add the new Whitmore Canyon coal lease (UTU-78562) to the existing West Ridge Mine. All access will be from adjacent underground mine workings and mining plans will extend longwall panels into the new lease. The R2P2 has been reviewed by this office and find it complete and technically adequate. All mining on this new lease will be underground, with no new surface facilities. The surface lands of this coal lease are either privately held or some public lands. Since no surface disturbance is planned or anticipated, the post-mining land use is compatible with the current land use plan and we have no post-mining land use concerns with this project.

Therefore, the BLM concurs with the submitted West Ridge Mine Plan addition with regards to post-mining land use and the protection of non-mineral resources. Also, the submitted R2P2 is in compliance with the Mineral Leasing Act of 1920, as amended, the lease terms and conditions, the regulations at 43 CFR 3480, and will achieve maximum economic recovery of the Federal coal. We recommend that the Secretary approve the R2P2 as part of the permit application.

If you have any questions, please contact Stephen Falk of my staff at (435) 636-3600.

Sincerely,

/s/ THOMAS E. RASMUSSEN
Thomas E. Rasmussen
Field Manager

Acting

cc: Office of Surface Mining
1999 Broadway, Suite 3320
Denver, Colorado 80202-5733
UT-923, Utah State Office
West Ridge Resources, Inc.
P. O. Box 1077
Price, Utah 84501



United States Department of the Interior
FISH AND WILDLIFE SERVICE

UTAH FIELD OFFICE
2369 WEST ORTON CIRCLE, SUITE 50
WEST VALLEY CITY, UTAH 84119

In Reply Refer To

FWS/R6
ES/UT

February 13, 2002

02-02-19-06

Mr. Daron Haddock, Permit Supervisor
Utah Division Oil, Gas, and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Section 7 Consultation, Whitmore Canyon Federal Coal Lease UTU-78562, West Ridge Resources, Inc., West Ridge Mine, C/007/041-PM01H

Dear Mr. Haddock:

In response to your letters of February 8, 2002 and February 1, 2002, we concur that your previous project area "no effect" determination for the Graham beardtongue, bald eagle, and black-footed ferret is valid for the Whitmore Canyon lease extension. In addition, we understand that no additional water use will occur beyond the 64-acre feet that we consulted on for the original West Ridge Mine permit. Habitat does not occur in the project area for the Uinta Basin hookless cactus or yellow-billed cuckoo.

We further concur that the project, as proposed, may affect, but is not likely to adversely affect the Mexican spotted owl and is not likely to adversely modify or destroy Mexican spotted owl critical habitat. As you are aware, potential impacts to proposed or listed species from mining activities have been previously addressed in the Service's September 24, 1996 Biological Opinion and Conference Report on Surface Coal Mining and Reclamation Operations under the Surface Coal Mining and Reclamation Act of 1977. As part of the terms and conditions of this BO, the regulatory authority must implement and require compliance with any species-specific protective measures developed by the Service field office and the regulatory authority.

We believe that the permit stipulation included in your February 8, 2002 letter is sufficient to meet the terms and conditions of the 1996 BO: "The permittee must conduct appropriate surveys for Mexican spotted owls on lease tract areas with 40 percent or greater slopes, cliff habitat areas, riparian habitats, and mixed conifer forest habitats, prior to any future surface disturbing activity and/or any mining activity with the potential to interrupt surface spring flows. Inventory work must be conducted by parties approved and permitted for such survey work by the Fish and Wildlife Service and qualified in accordance with R645-301-132. Surveys must be done following current protocols established by the Fish and Wildlife Service."

We appreciate the opportunity to review your project. Should you have any questions or need any further information please contact Laura Romin, Wildlife Biologist at (801)975-3330 ext. 142.

Sincerely,



Henry R. Maddux
Utah Field Supervisor

cc: Ron Sassaman, Office of Surface Mining, 1999 Broadway, Suite 3320, Denver, CO
80202-5733

David Mills, BLM, Price, Utah



Michael O. Leavitt
Governor
Max J. Evans
Director

State of Utah

Department of Community and Economic Development
Division of State History
Utah State Historical Society

300 Rio Grande
Salt Lake City, Utah 84101-1182
(801) 533-3500 FAX: 533-3503 TDD: 533-3502
ushs@history.state.ut.us <http://history.utah.org>

007/041 Incoming



cc:
Daron

February 7, 2002

Daron R. Haddock
Permit Supervisor
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P. O. Box 145801
Salt Lake City UT 84114-5801

RE: "Cultural Resources Concurrence for the Whitmore Canyon Proposal, West Ridge Resources, Inc., West Ridge Mine, C/007/041-PM01H, Outgoing File

In Reply Please Refer to Case No. 99-0477

Dear Mr. Haddock:

The Utah State Historic Preservation Office received the information on February 4, 2002. The cultural resource report states that no historic properties were located in the project area. We, therefore, concur with the report's recommendation of No Historic Properties Affected.

This information is provided to assist with Section 106 responsibilities as per §36CFR800. If you have questions, please contact me at (801) 533-3555. My email address is: jdykman@history.state.ut.us

As ever,

James L. Dykmann
Compliance Archaeologist

JLD:99-0477 OSM/NPA

UNITED STATES

DEPARTMENT OF THE INTERIOR

This mining plan approval document is issued by the United States of America to:

West Ridge Resources, Inc.
P.O. Box 1077
Price, UT 84501

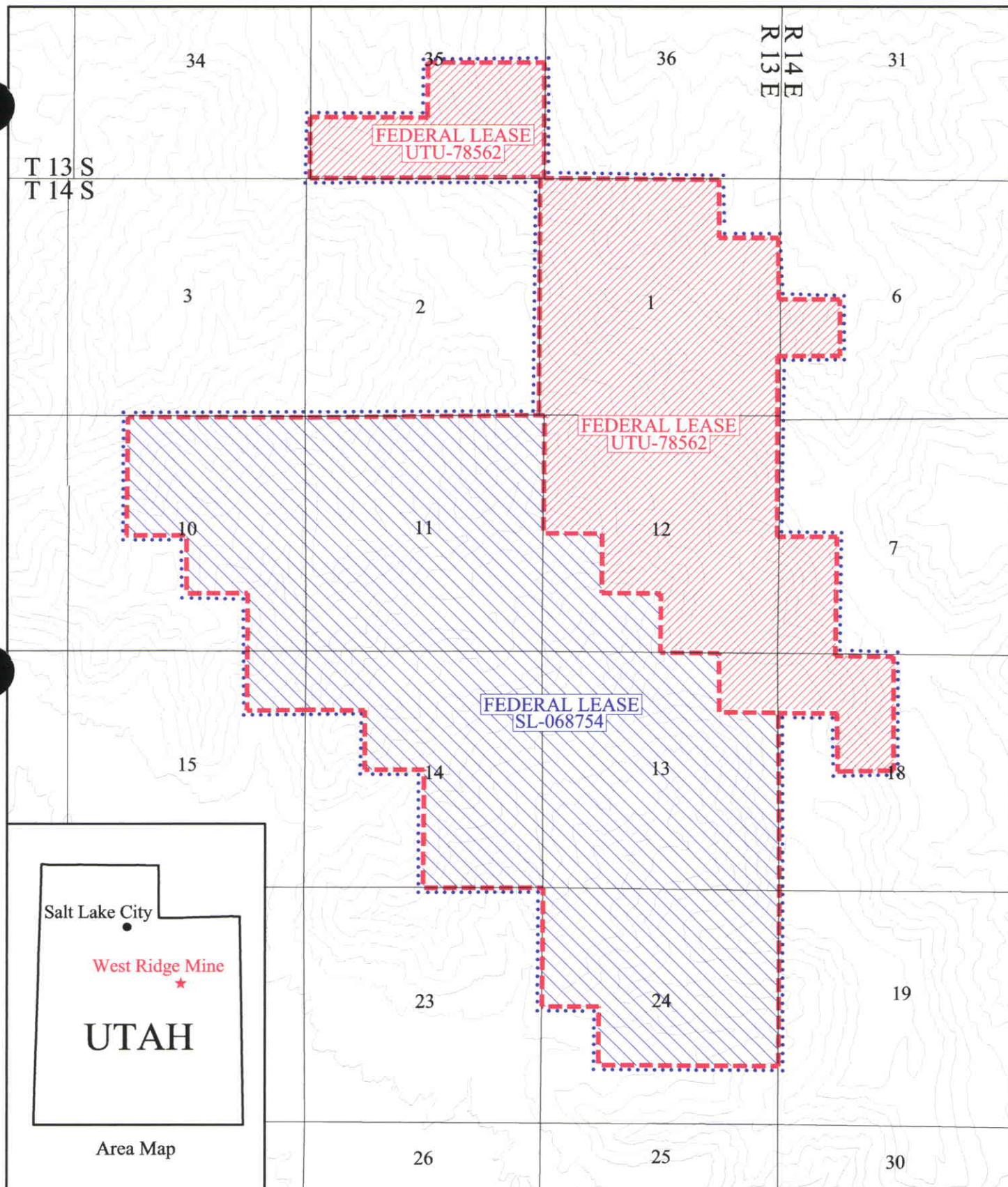
for a mining plan modification for Federal lease UTU-78562 at the West Ridge Mine. This mining plan approval supplements all previous mining plan approvals for the West Ridge Mine. The approval is subject to the following conditions. West Ridge Resources, Inc. is hereinafter referred to as the operator.

1. Statutes and Regulations.--This mining plan approval is issued pursuant to Federal lease UTU-78562; the Mineral Leasing Act of 1920, as amended (30 U.S.C. 181 et seq.); and in the case of acquired lands, the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351 et seq.). This mining plan approval is subject to all applicable regulations of the Secretary of the Interior which are now or hereafter in force; and all such regulations are made a part hereof. The operator shall comply with the provisions of the Water Pollution Control Act (33 U.S.C. 1251 et seq.), the Clean Air Act (42 U.S.C. 7401 et seq.), and other applicable Federal laws.
2. This document approves the mining plan modification for Federal lease UTU-78562 at the West Ridge Mine and authorizes coal development or mining operations on the Federal leases within the area of mining plan approval. This authorization is not valid beyond: Parts of Section 35 of Township 13 South, Range 13 East; Parts of Sections 6, 7 and 18 of Township 14 South, Range 14 East; and Parts of Sections 1, 12 and 13 of Township 14 South, Range 13 East of the SL P.M. These lands encompass 1646 acres as shown on the map appended hereto as Attachment A.
3. The operator shall conduct coal development and mining operations only as described in the complete permit application package, and approved by the Utah Division of Oil, Gas & Mining, except as otherwise directed in the conditions of this mining plan approval.
4. The operator shall comply with the terms and conditions of the lease, this mining plan approval and the requirements of the Utah Permit No. C/007/041 issued under the Utah State program, approved pursuant to the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1201 et seq.).

5. This mining plan approval shall be binding on any person conducting coal development or mining operations under the approved mining plan and shall remain in effect until superseded, canceled, or withdrawn.
6. If during mining operations unidentified prehistoric or historic resources are discovered, the operator shall ensure that the resources are not disturbed and shall notify Utah Division of Oil, Gas & Mining and the Office of Surface Mining Reclamation and Enforcement (OSM). The operator shall take such actions as are required by Utah Division of Oil, Gas & Mining in coordination with OSM.
7. The Secretary retains jurisdiction to modify or cancel this approval, as required, on the basis of further consultation with the U.S. Fish and Wildlife Service pursuant to section 7 of the Endangered Species Act, as amended, 16 U.S.C. §§ 1531 et seq.

Rebecca W. Watson
Assistant Secretary
Land and Minerals Management

3-25-02
Date



Attachment A

WEST RIDGE MINE
Mining Plan Approval Area
March 2002

FINDINGS

West Ridge Resources, Inc.
Whitmore Canyon Extension
West Ridge Mine
C/007/041
Carbon County, Utah

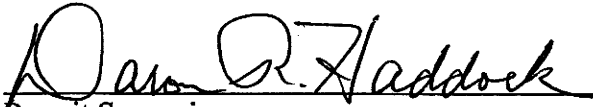
February 15, 2002

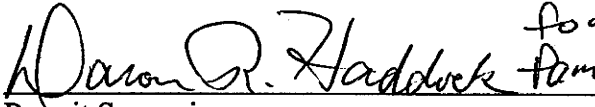
1. The permit application for the extraction of coal from the Whitmore Canyon Lease at the West Ridge Mine is accurate and complete and all requirements of the Surface Mining Control and Reclamation Act, and the approved Utah State Program (the "Act") are in compliance. See Technical Analysis dated February 12, 2002 (R645-300-133.100)
2. The applicant proposes acceptable practices for the reclamation of disturbed lands. The Division has determined that reclamation, as required by the Act can be feasibly accomplished following the approved plan with the attached permit conditions. No new surface disturbance will occur with the Whitmore Canyon Extension. (R645-300-133.710)
3. An assessment of the probable cumulative impacts of all anticipated coal mining and reclamation activities in the general area on the hydrologic balance has been conducted by the Division and no significant impacts were identified. See CHIA dated February 12, 2002. The Mining and Reclamation Plan (MRP) proposed under the revised application has been designed to prevent damage to the hydrologic balance in the permit area and in associated off-site area (R645-300-133.400 and UCA 40-10-11 (2)(c)).
4. The proposed lands to be included within the permit area are:
 - a. Not included within an area designated unsuitable for underground coal mining operation (R645-300-133.220);
 - b. not within an area under study for designated land unsuitable for underground coal mining operations (R645-300-133.210);
 - c. not on any lands subject to the prohibitions or limitation of 30 CFR 761.11 {a} (national parks, etc), 761.11 {f} (public buildings, etc.) and 761.11 {g} (cemeteries);
 - d. not within 100 feet of a public road except at the location where the public road accesses the property(R645-300-133.220); and
 - e. not within 300 feet of any occupied dwelling (R645-300-133.220).
5. The operation would not affect the continued existence of any threatened or endangered species or result in the destruction or adverse modification of their critical habitats as determined under the Endangered Species Act of 1973. A condition is being added to the

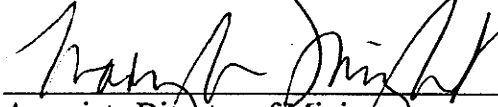
permit to survey for Mexican Spotted Owl in accordance with the Fish and Wildlife Service requirements. See Technical Analysis dated February 12, 2002 and letter from U. S. Fish and Wildlife Services dated February 13, 2002 (16 USC 1531 et seq.) (R645-300-133.500).

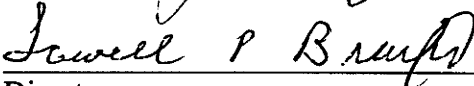
6. The Division's issuance of a permit is in compliance with the National Historic Preservation Act and implementing regulations (36 CFR 800). See Technical Analysis dated February 12, 2002. See letter from State Historic Preservation Office, dated February 7, 2002. (R645-300-133.600)
7. The applicant has the legal right to enter and complete mining activities in the permit area through federal coal leases issued by the Bureau of Land Management, and the School and Institutional Trust Lands Administration (SITLA). (See verification of leases in Appendix 1-4, 1-9, and 1-10 of PAP. (R645-300-133.300)
8. A 510 (c) report has been run on the Applicant Violator System (AVS), which shows that: prior violations of applicable laws and regulations have been corrected; neither West Ridge Resources, Inc. LLC or any affiliated company, are delinquent in payment of fees for the Abandoned Mine Reclamation Fund; and the applicant does not control and has not controlled mining operations with demonstrated pattern of willful violations of the Act of such nature, duration, and with such resulting irreparable damage to the environment as to indicate an intent not to comply with the provisions of the Act (A 510 (c) report was run on February 4, 2002, see memo to file dated February 4, 2002). (R645-300-133.730)
9. Underground mining operations to be performed under the permit will not be inconsistent with other operations anticipated to be performed in areas adjacent to the proposed permit area.
10. The applicant has posted a surety bond for the West Ridge Mine in the amount of \$2,117,000 (Surety Number 21-60-38 dated March 19, 1999) (R645-300-134).
11. No lands designated as prime farmlands or alluvial valley floors occur on the permit area. See February 12, 2002 Technical Analysis (R645-302-313.100 and R645-302-321.100)
12. The proposed postmining land-use of the disturbed area is the same as the pre-mining land use and has been approved by the Division and the surface land management agency, the Bureau of Land Management.
13. The Division has made all specific approvals required by the Act, the Cooperative Agreement, and the Federal Lands Program.
14. All procedures for public participation required by the Act, and the approved Utah State Program are in compliance. The public advertisement was published on December 13, 18, 20, 25, 2001 and January 1, 2002 in the Sun Advocate. (R645-300-120)

15. No existing structures will be used in conjunction with this mine. This is an underground extension of an existing mine with no new surface facilities being proposed (R645-300-133.720).


Permit Supervisor

 for *for Grubbs & L.H.*
Permit Supervisor


Associate Director of Mining


Director

FEDERAL

**Permit
C/007/041**

February 15, 2002

**STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801
(801) 538-5340**

This permit, C/007/041, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (Division) to:

**West Ridge Resources, Inc.
P.O. Box 1077
Price, Utah 84501
(435)-564-4000**

for the West Ridge Mine. A Surety Bond is filed with the Division in the amount of \$2,117,000 payable to the State of Utah, Division of Oil, Gas and Mining and the Office of Surface Mining Reclamation and Enforcement (OSM). Coal mining and reclamation operations will be conducted on Federal Leases SL-068754-U-01215 and UTU-78562 and on a State Special Use Lease #1163. DOGM must receive a copy of this permit signed and dated by the permittee.

Sec. 1 STATUTES AND REGULATIONS - This permit is issued pursuant to the Utah Coal Mining and Reclamation Act of 1979, Utah Code Annotated (UCA) 40-10-1 et seq, hereafter referred to as the Act.

Sec. 2 PERMIT AREA - The permittee is authorized to conduct coal mining and reclamation operations on the following described lands within the permit area at the West Ridge Mine, situated in the state of Utah, Carbon County. The area under permit is 4307.63 acres and is delineated on U.S.G.S. 7¹/₂ minute topographic maps as follows:

Township 13 South, Range 13 East

Section 35: SE1/4, S1/2SW1/4

Township 14 South, Range 13 East

Section 1: Lots 2-7, S1/2NW1/4, SW1/4, W1/2SE1/4, SW1/4NE1/4;

Section 10: NE1/4, N1/2SE1/4, E1/2NW1/4, SE1/4SE1/4;

Section 11: All;

Section 12: All;
Section 13: All;
Section 14: E1/2, N1/2NW1/4, SE1/4NW1/4;
Section 15: NE1/4NE1/4; portion of NW1/4SE1/4NE1/4 (security gate);
Section 16: Portions of NE1/4 SE1/4 (9.6 acres); and
Section 21: Portion of NE1/4NE1/4 (pumping station)
Section 24: N1/2SE1/4, N1/2, NE1/4SW1/4.

Township 14 South, Range 14 East

Section 6: Lot 6;
Section 7: Lots 3 and 4;
Section 18: Lot 1, E1/2NW1/4;

This legal description is for the permit area of the West Ridge Mine and is shown on Map 1-1 of the West Ridge Mine Mining and Reclamation Plan. The permittee is authorized to conduct coal mining and reclamation operations on the foregoing described property subject to the conditions of all applicable conditions, laws and regulations.

- Sec. 3** **COMPLIANCE** - The permittee will comply with the terms and conditions of the permit, all applicable performance standards and requirements of the State Program.
- Sec. 4** **PERMIT TERM** - This permit is effective on February 15, 2002 and expires on April 1, 2004.
- Sec. 5** **ASSIGNMENT OF PERMIT RIGHTS** - The permit rights may not be transferred, assigned or sold without the approval of the Director, Division. Transfer, assignment or sale of permit rights must be done in accordance with applicable regulations, including but not limited to 30 CFR 740.13 {e} and R645-303-300.
- Sec. 6** **RIGHT OF ENTRY** - The permittee shall allow the authorized representative of the Division, including but not limited to inspectors, and representatives of the Office of Surface Mining Reclamation and Enforcement (OSM), without advance notice or a search warrant, upon presentation of appropriate credentials, and without delay to:

- (a) have the rights of entry provided for in 30 CFR 840.12, R645-400-220, 30 CFR 842.13 and R645-400-110;
- (b) be accompanied by private persons for the purpose of conducting an inspection in accordance with R645-400-100 and R645-400-200 when the inspection is in response to an alleged violation reported to the Division by the private person.

Sec. 7 **SCOPE OF OPERATIONS** - The permittee shall conduct coal mining and reclamation operations only on those lands specifically designated as within the permit area on the maps submitted in the approved plan and approved for the term of the permit and which are subject to the performance bond.

Sec. 8 **ENVIRONMENTAL IMPACTS** - The permittee shall take all possible steps to minimize any adverse impact to the environment or public health and safety resulting from noncompliance with any term or condition of the permit, including, but not limited to:

- (a) Any accelerated or additional monitoring necessary to determine the nature and extent of noncompliance and the results of the noncompliance;
- (b) immediate implementation of measures necessary to comply; and
- (c) warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.

Sec. 9 **DISPOSAL OF POLLUTANTS** - The permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program which prevents violation of any applicable state or federal law.

Sec. 10 **CONDUCT OF OPERATIONS** - The permittee shall conduct its operations:

- (a) in accordance with the terms of the permit to prevent significant, imminent environmental harm to the health and safety of the public; and

(b) utilizing methods specified as conditions of the permit by the Division in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.

- Sec. 11** **EXISTING STRUCTURES** - As applicable, the permittee will comply with R645-301 and R645-302 for compliance, modification, or abandonment of existing structures.
- Sec. 12** **RECLAMATION FEE PAYMENTS** - The operator shall pay all reclamation fees required by 30 CFR Part 870 for coal produced under the permit, for sale, transfer or use.
- Sec. 13** **AUTHORIZED AGENT** - The permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.
- Sec. 14** **COMPLIANCE WITH OTHER LAWS** - The permittee shall comply with the provisions of the Water Pollution Control Act (33 USC 1151 et seq.) and the Clean Air Act (42 USC 7401 et seq), UCA 26-11-1 et seq, and UCA 26-13-1 et seq.
- Sec. 15** **PERMIT RENEWAL** - Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit in accordance with the Act, the approved Utah State Program and the Federal Lands Program.
- Sec. 16** **CULTURAL RESOURCES** - If during the course of mining operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is not disturbed and shall notify the Division. The Division, after coordination with OSM, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by Division within the time frame specified by Division.

Sec. 17 **APPEALS** - The permittee shall have the right to appeal as provided for under R645-300-200.

Sec. 18 **SPECIAL CONDITIONS** - There are special conditions associated with this permitting action as described in attachment A.

The above conditions (Secs. 1-18) are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the lease. The permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them.

These conditions may be revised or amended, in writing, by the mutual consent of the Division and the permittee at any time to adjust to changed conditions or to correct an oversight. The Division may amend these conditions at any time without the consent of the permittee in order to make them consistent with any federal or state statutes and any regulations.

THE STATE OF UTAH

By: Lawell P. Brackley

Date: 2/15/02

I certify that I have read, understand and accept the requirements of this permit and any special conditions attached.

Authorized Representative of Permittee

Date: _____

Attachment A

SPECIAL CONDITIONS

1. This permit specifically authorizes West Ridge Resources, Inc. to conduct an experimental practice in conjunction with their approved Coal Mining and Reclamation Operations at the West Ridge Mine, which allows for the protection of topsoil "in-place" rather than salvaging soil and stockpiling it for future reclamation. West Ridge Resources, Inc. will follow the plans as outlined in the approved Mining and Reclamation Plan, Chapter 2 and Appendix 2-6 and will be required to evaluate the effectiveness of the experimental practice on an annual basis. The Division will conduct annual reviews of the practice to ensure that it fully protects the environment and the public health and safety. In the event that the experimental practice is determined to be not as environmentally protective as would otherwise be required by standards promulgated under R645-301 and R645-302, revised reclamation plans which utilize standard reclamation technology will be required.
2. West Ridge Resources, Inc. must submit water quality data for the West Ridge Mine in an electronic format through the Electronic Data Input web site, <http://hlunix.hl.state.ut.us/cgibin/appxogm.cgi>.
3. The permittee must conduct appropriate surveys for Mexican spotted owls on the lease tract areas with 40 percent or greater slopes, cliff habitat areas, riparian habitats, and mixed conifer forest habitats, prior to any future surface disturbing activity and/or any mining activity with the potential to interrupt surface spring flows. Inventory work must be conducted by parties approved and permitted for such survey work by the Fish and Wildlife Service and qualified in accordance with R645-301-132. Surveys must be done following current protocols established by the Fish and Wildlife Service.
4. West Ridge Resources, Inc. may not commence underground coal mining and reclamation activities in federal coal lease UTU-78562 until approval of the mining plan is authorized by the Secretary of the Interior.